

M.S. Operations Research
Temple University 1974

B.A. Mathematics
Temple University 1970

PUBLICATIONS:

"Comparative and Design Aspects of Fixed Cycle Production Systems", Naval Research Logistics Quarterly, Vol. 23, No. 3, September 1976.

"Conservative Linear Programming With Mixed Multiple Objectives," OMEGA, The International Journal of Operations Research, Vol. 5, No. 2, 1977, with A.L. Soyster.

"The Role of Internal Storage Capacity in Fixed Cycle Production Systems," Naval Research Logistics Quarterly, Vol. 27, No. 3, September 1980.

"A Methodology to Predict Short-Term Coal Consumptions," presented at Spring 1977 ORSA-TIMS Conference; accepted for publication by the International Journal of Urban Systems, with R. Blaine Roberts.

"The Goldilocks National Energy Model," presented at the Spring 1976 Joint ORSA-TIMS Conference.

"Buffer Size and Location: Analysis in Production Lines," Fall 1978 Joint ORSA-TIMS Conference

"A Review of Current Planning Methodologies in the United States Electric Utility Industry," Fall 1978 Joint ORSA-TIMS Conference.

TESTIMONY EXPERIENCE OF DAVID I. TOOF

JURISDICTION

DOCKET NO.

FERC

ER 76-828
EL 78-18
CP 74-314-005
ER 82-774-000
ER 83-209-000
EL 83-6-000
CI 84-49-001
TA 84-2-43
TA 87-4-21
RP89-161-030
RP93-100-000
OR89-2-007, et. al.

ALASKA

P-89-1, et. al.

INDIANA

35780

MAINE

80-66

NEVADA

85-1005

NORTH CAROLINA

E-13 sub. 29
E-13 sub. 35
E-13 sub. 44
E-13 sub. 51

TEXAS - HARRIS COUNTY

83-50539

COURT OF ARBITRATION
- I.C.C.

6320/CI
6401/BGD

AMERICAN ARBITRATION ASSOC.

16 115 00006 89R
18 Y 199 00130 97

UNITED STATES DISTRICT COURT:
DISTRICT OF NEW JERSEY
DISTRICT OF DELAWARE

88-5150
92-453

DOCUMENTS REVIEWED AND/OR RELIED ON BY DAVID TOOF
IN SUPPORT OF DAMAGE CALCULATION

1. Responses of US WEST Communications, Inc. to AT&T's First Set of Interrogatories served in AT&T Corp. v. US WEST Communications, Inc., before the Federal Communications Commission, File No. E-97-28.
2. Press Release from Frontier Corporation dated March 12, 1997, "Frontier Selected by US WEST to Launch Long Distance Calling Card"
3. Press Release from US WEST dated March 12, 1997, "US WEST Communications Announces Plan to Launch a New Long Distance Calling Card with Frontier Corporation"
4. Article in The Denver Post dated May 3, 1997, "Frontier chief promises profits – Phone company, in Denver meeting, vows to fix 'operational issues'"
5. Article in The Santa Fe New Mexican dated October 10, 1997, "US WEST offers new calling card"
6. Supplemental Responses of US WEST Communications, Inc. to AT&T's First Set of Interrogatories served in AT&T Corp. v. US WEST Communications, Inc., before the Federal Communications Commission, File No. E-97-28.
7. Excerpts from the April 2000 Frost & Sullivan report titled "U.S. Wireline Card Calling Service Markets" (Report No. 7482-63)
8. Data received from AT&T regarding the average duration of a call placed on the AT&T network and billed to a LEC calling card.
9. AT&T's estimates of its share of the consumer calling card market.
10. AT&T December 1996 Income Statement setting forth its InterLATA domestic calling card financials for the year 1996.
11. AT&T December 1997 Income Statement setting forth its InterLATA domestic calling card financials for the year 1997.
12. IRS News Release dated March 8, 2001, titled "IRS Announces Decline in Quarterly Interest Rates" and attaching a copy of Revenue Ruling 2001-16, Release No. IR-2001-31.
13. IRS Table of Interest Rates from January 1, 1987 – December 31, 1998.
14. IRS Table of Interest Rates from January 1, 1999 – Present.

15. IRS Table of Interest Rates from January 1, 1991 – Present
16. AT&T's Reply Brief Concerning the Effect of the *Ameritech Card Order* filed in AT&T Corp. v. US WEST Communications, Inc., before the Federal Communications Commission, File No. E-97-28.
17. Memorandum Opinion and Order issued in AT&T Corp. v. US WEST Communications, Inc., before the Federal Communications Commission, File No. E-97-28.
18. Second Supplemental Responses of US West Communications, Inc. to AT&T's First Set of Interrogatories filed in AT&T Corp. v. US WEST Communications, Inc., before the Federal Communications Commission, File No. E-97-28.
19. Reply Brief of US West Communications, Inc. filed in AT&T Corp. v. US WEST Communications, Inc., before the Federal Communications Commission, File No. E-97-28 (dated September 24, 1997).
20. Opening Brief of US West Communications, Inc. filed in AT&T Corp. v. US WEST Communications, Inc., before the Federal Communications Commission, File No. E-97-28 (dated September 17, 1997).
21. Answer of US West Communications, Inc. filed in AT&T Corp. v. US WEST Communications, Inc., before the Federal Communications Commission, File No. E-97-28 (dated June 23, 1997).
22. US West Communications, Inc. 10-K, filing date December 31, 1996.
23. US West Communications, Inc. 10-K, filing date December 31, 1997.
24. US West Communications, Inc. 10-K, filing date December 31, 1998.
25. US West Communications, Inc. 10-K, filing date December 31, 1999.
26. Evaluation of Frontier's Agreement to Provide a 1-800 Platform for US West's Calling Card Service prepared by Summit Analytics, April 2001.
27. AT&T Corp. 10-K, filing date December 31, 1996.
28. AT&T Corp. 10-K, filing date December 31, 1997.
29. AT&T Corp. 10-K, filing date December 31, 1998.
30. AT&T Corp. 10-K, filing date December 31, 1999.

**EXHIBIT IS PROPRIETARY
PURSUANT TO 47 C.F.R. § 1.731
AND HAS BEEN FILED UNDER SEAL**

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

AT&T Corp.,)	
Complainant,)	
)	
v.)	File No. E-97-28
)	
U S WEST Communications, Inc.,)	
Defendant.)	

RESPONSES OF U S WEST COMMUNICATIONS, INC.
TO AT&T'S FIRST SET OF INTERROGATORIES

On June 23, 1997, Complainant, AT&T Corp., served its First Set of Interrogatories on Defendant, U S WEST Communications, Inc. consisting of 23 interrogatories. Pursuant to a Status Conference on June 26, 1997, the Commission staff limited the number of interrogatories that parties may serve to 10 interrogatories. In accordance with the Commission staff's ruling, AT&T's counsel, Peter H. Jacoby, designated the following interrogatories from AT&T's First Set of Interrogatories for response: 1, 3, 4, 5, 14, 15, 19, 20, and 21.

Defendant U S WEST Communications, Inc. ("USWC") hereby submits these responses to the interrogatories so designated by AT&T.

AT&T Interrogatory No. 1

Identify each and every agreement between or among any or all of U S

WEST, Frontier, and U S WEST Long Distance, concerning or relating to the 1-800-4USWEST service and state the terms of each of those agreements, including without limitation the date the agreement was entered into, the services provided under the agreement, the compensation paid under the agreement, the duration of the agreement (including any renewal options), any information exchanged under the agreement, and all the parties to the agreement.

USWC's Response to Interrogatory No. 1

USWC objects to this interrogatory to the extent that it requires U S WEST Communications, Inc. ("USWC") and U S WEST Long Distance, Inc. ("USWLD") to provide information that is beyond the scope of the issues, as defined by AT&T in its Complaint in this matter, and that is confidential and proprietary business information.

Without waiving the foregoing objections, USWC and USWLD respond as follows:

- (1) Services Agreement dated April 1, 1996 between U S WEST Communications Systems Corporation (now doing business as U S WEST Long Distance, Inc.) ("USWLD") and U S WEST Communications, Inc. ("USWC"); general agreement for the provision of services by USWLD to be specified in Task Orders including management and consulting services. The Services Agreement may be terminated by either party upon 90 days written notice.
- (2) Task Order issued pursuant to the Services Agreement for the provision by USWLD of the following services for USWC: procurement of network, platform, customer care, billing and collections functions for the 1-800 Express Calling Card enhancement. USWLD agreed to

submit periodic statements to USWC for payment in accordance with the FCC's affiliate transaction rules. The dollar amounts owed or paid to USWLD have not been finalized by accounting personnel.

- (3) Agreement for the Provision of Billing and Collection Services dated April 1, 1996 between U S WEST Long Distance, Inc. ("USWLD") and U S WEST Communications, Inc. ("USWC") for the provision of billing and collection services for USWLD's regulated basic toll or message telephone service ("MTS") or MTS related services. The term of the Agreement is April 1, 1996 through March 31, 2000 or until the Agreement is superseded by a new Agreement. The rates for billing and collection services are USWC's standard rates charged to interexchange carriers:

	<u>Unit</u>	<u>Price per Unit</u>
Message Rating with Provision of Message Detail	message	\$.0055
Message Rating without Provision of Message Detail	message	\$.0045
MTS Services		
Message Bill Processing		
Average of 1-14.49 messages per bill	message	\$.0250
Average of 14.5 or more messages per bill	message	\$.0175
Bill Rendering	bill	\$.4200

Limited Inquiry Service (USWC resolves refusal to pay)	message	\$.0200
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- (4) Wholesale Service Agreement between Frontier Communications of the West, Inc. ("Frontier"), U S WEST Long Distance, Inc. ("USWLD"), and U S WEST Communications, Inc. ("USWC"): The Agreement provides for the transport by Frontier of USWC and USWLD calls from originating parties to the Frontier platform and from the Frontier platform to the terminating access line. The Agreement provides: (1) that USWC will retain all retail revenues for in-region intraLATA traffic and that USWC will pay Frontier wholesale rates for transport; (2) that USWLC will retain all retail revenues for calls originating outside of USWC's region and that USWLD will pay Frontier wholesale rates for transport; and (3) that Frontier will retain all retail revenues for interLATA and international calls originating in USWC's region. The Effective Date of the Agreement is January 28, 1997.
- (5) Wholesale Service Agreement between U S WEST Long Distance, Inc. ("USWLD") and LinkUSA Corporation ("LinkUSA"): The Agreement provides that LinkUSA will provide the use of a platform and software, including the provision of operator services and directory assistance services, for the 1-800 Express Card application. The Effective Date of the Agreement is January 28, 1997.

(6) Agreement for the Provision of Billing and Collection Services dated March 1, 1997 between Frontier Communication Services, Inc. ("Frontier") and U S WEST Communications, Inc. ("USWC") for the provision of billing and collection services for Frontier's regulated basic toll or message telephone service ("MTS") or MTS related services. The term of the Agreement is March 1, 1997 through February 29, 2000. The rates for billing and collection services are USWC's standard rates charged to interexchange carriers.

Response submitted by:

Judy Brunsting
U S WEST Long Distance, Inc.
28th Floor
1801 California Street
Denver, CO 80202

Rao Rajagopal
U S WEST Long Distance, Inc.
31st Floor
1801 California Street
Denver, CO 80202

Roger Weiss
U S WEST Communications
Room 425
5090 N. 40th
Phoenix, AZ 85018

AT&T Interrogatory No. 3

Identify all communications between U S WEST and Frontier relating to the 1-800-4USWEST platform, or any other proposed calling card platform, prior to U S WEST's Request for Proposed calling card platform, prior to U S WEST's Request

for Participation dated April 24, 1996, and state the substance of those communications.

USWC's Response to Interrogatory No. 3

USWC and USWLD had no communications with Frontier regarding the 1-800 enhancement to the Express Card prior to issuing the Request for Proposed calling card platform or prior to issuing the Request for Participation dated April 24, 1996.

Response submitted by:

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Phoenix, AZ 85018

Rao Rajagopal
U S WEST Long Distance, Inc.
31st Floor
1801 California Street
Denver, CO 80202

AT&T Interrogatory No. 4

Identify the U S WEST affiliate or entity that selected to [sic] Frontier to participate in 1-800-4USWEST, and state the reasons that U S affiliate or entity selected Frontier to participate in 1-800-4USWEST.

USWC's Response to Interrogatory No. 4

For itself and as a contract agent for USWC, U S WEST Long Distance ("USWLD") selected Frontier to provide the transport for all USWC and USWLD calls to and from the platform which are made with the 1-800 dialing pattern. Several carriers and platform providers, including AT&T, were unable to make a

proposal which would satisfy the requirements in the RFP. After analyzing all of the responses, Frontier was identified as the carrier who most completely offered to satisfy the key requirements in the RFP including, but not limited to, the following: Permitting USWC to brand in-region intraLATA calls as USWC calls, permitting USWLD to brand out-of-region intraLATA and interLATA calls as USWLD calls, Calling Card Platform Location(s), Provision of Operator Services, Platform Cost, Transport Costs, Carrier's willingness to pay all costs associated with the issuance of the new card.

Response submitted by:

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Eldon Call
U S WEST Long Distance, Inc.
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AT&T Interrogatory No. 5

Identify all documents that refer or relate to the decision (as identified in Interrogatory No. 4) to select Frontier as the interLATA carrier for the 1-800-4USWEST platform.

USWC's Response to Interrogatory No. 5

Request for Participation dated April 24, 1996 issued by U S WEST Communications, Inc.

Response dated May 7, 1996 submitted by U.S. Advanced Network.

Response dated May 9, 1996 submitted by OSC.

Response dated May 14, 1996 submitted by LCI International.

Response dated May 14, 1996 submitted by American Network Exchange, Inc.

Response dated May 10, 1996 submitted by Stratus Computer, Inc. and Open Development Corporation.

Response dated May 10, 1996 submitted by Tandem Computers Incorporated.

Response submitted by Innovative Telecom Corp.

Response to Request for Participation dated May 15, 1996 submitted by Frontier Communications, Inc. and LinkUSA Corporation.

Response to Request for Participation dated May 15, 1996 submitted by AT&T Carrier Solutions.

Response dated May 15, 1996 submitted by MCI Telecommunications Corporation.

Request for Proposal dated July 18, 1996 issued by U S WEST Long Distance, Inc.

Response dated August 8, 1996 submitted by Sprint.

Response dated August 9, 1996 submitted by MCI Telecommunications Corporation.

Response dated August 8, 1996 submitted by AT&T Carrier Solutions.

Response dated August 9, 1996 submitted by Frontier Communications, Inc. and LinkUSA Corporation.

Response dated August 8, 1996 submitted by Teletrust, Inc.

Response submitted by:

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31st Floor
1801 California Street
Denver, CO 80202

Eldon Call
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Phoenix, AZ 85018

AT&T Interrogatory No. 14

Describe how customers are now billed for calls placed through the 1-800-4USWEST service and identify whether other billing options are available. State whether Frontier is currently identified as the interLATA carrier on any bills for the 1-800-4USWEST service. State whether U S WEST Long Distance is currently identified as the interLATA carrier on any bills for the 1-800-4USWEST service.

USWC's Response to Interrogatory No. 14

When customers use the 1-800 dialing pattern option on the 1-800 Express Calling Card to make a call:

- (1) IntraLATA calls originating in a USWC in-region state which are handled and branded as USWC calls are billed as USWC calls on the USWC monthly billing statement sent to the cardholder customer.

- (2) InterLATA calls originating in a USWC in-region state which are handled and branded as Frontier calls are billed as Frontier calls on the Frontier page of the USWC monthly billing statement sent to cardholder customers.
- (3) InterLATA calls originating in a state outside of USWC's region are handled and branded as USWLD calls and billed as USWLD calls on the USWLD page of the USWC monthly billing statement sent to cardholder customers.

Customers who use the 1-800 dialing pattern option on the 1-800 Express Calling Card to make an in-region intraLATA, in-region interLATA, or out-of-region intraLATA or interLATA call also have these additional billing options: collect to the called party, billed to a third number.

Customers also have the option of using the 0+ and 10XXX dialing pattern options on the 1-800 Express Calling Card to make in-region intraLATA, in-region interLATA, or out-of-region intraLATA and interLATA calls. If the 0+ intraLATA and interLATA carriers honor the 1-800 Express Calling Card and if they have a billing and collections agreement with USWC, the charges will be billed as charges of the handling carrier on their page of the USWC monthly billing statement sent to cardholder customers. If they do not have a billing and collections agreement with USWC, the carriers will make their own arrangements with a clearing house to bill the charges.

Response submitted by:

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Room 425
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Ellen Kirk
U S WEST Communications, Inc.
Room 375
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Phoenix, AZ 85018

AT&T Interrogatory No. 15

Identify each limitation (whether technological or otherwise) that has restricted, or may in the future restrict, U S WEST's ability to allow additional interLATA carriers to offer services that end users can access via the 1-800-4USWEST platform. Identify whether any such limitation would require U S WEST to offer other interLATA carriers a 1-800 calling card platform other than that used for 1-800-4USWEST.

USWC's Response to Interrogatory No. 15

USWC objects to this interrogatory for the following reasons:

- (1) The information requested is beyond the scope of the issues, as defined by AT&T in its Complaint in this matter;
- (2) It seeks information about USWC's future technical capabilities and business plans which are beyond the scope of the issues in this matter and which represent trade secrets and confidential business information of USWC; and
- (3) It asks USWC to engage in speculation about its future technical and business capabilities and plans.

Response submitted by:

John L. Traylor
U S WEST, Inc.
Suite 5100
1801 California Street
Denver, CO 80202

AT&T Interrogatory No. 19

Identify all compensation or other benefits or advantages (whether pecuniary or non-pecuniary) U S WEST has received from Frontier relating to 1-800-4USWEST and all compensation or other benefits or advantages (whether pecuniary or non-pecuniary) that U S WEST has paid to Frontier relating to 1-800-4USWEST, and state the circumstances under which such compensation was received or paid (including without limitation the date or dates on which such compensation, benefit, or advantage was offered and received; the nature and amount of such compensation, benefit or advantage; the goods or services for which such compensation, benefit or advantage was paid; or any other reason that caused (either directly or indirectly) that compensation, benefit or advantage to be paid).

USWC's Response to Interrogatory No. 19

USWC objects to this interrogatory, because it requires USWC to provide information that is beyond the scope of the issues, as defined by AT&T in its Complaint in this matter, and that is confidential and proprietary business information. Without waiving the foregoing objections, USWC responds as follows:

Pursuant to the requirement in Section 2.1.1.7 of the Request For Proposal dated July 18, 1996, Frontier agreed to pay costs associated with the launch of the 1-800 Express Calling Card including design, production, and distribution of the card and pre-sale and post-sale advertising and promotion.

Frontier has also paid USWC for billing and collection services pursuant to the Billing and Collection Services Agreement and at the rates described in USWC's

Response to Interrogatory No. 1 above for billing in-region interLATA calls handled and branded as Frontier calls when customers use the 1-800 dialing pattern option to make an in-region interLATA call.

Frontier has also paid USWC the applicable originating and/or terminating switched access charges as more fully described in USWC's Response to Interrogatory No. 21: (a) for interLATA calls which originate, or which originate and terminate, in-region which are branded as Frontier calls; (b) for interLATA calls which originate out-of-region and terminate in-region which are branded as USWLD calls; and (c) for intraLATA calls which originate and terminate in-region which are branded as USWC calls when customers use the 1-800 dialing pattern option.

For calls made with the 1-800 dialing pattern option, USWC has paid Frontier the applicable charges for providing transport of USWC's intraLATA calls to and from the platform. For calls made with the 1-800 dialing pattern option, USWC has paid USWLD, its contract agent, who has paid Frontier for the use of the platform in connection with USWC intraLATA calls processed by the platform.

USWC is also beginning to realize the benefit of the 1-800 dialing pattern option with its calling card customers. The option was designed to respond to AT&T's attack strategy against USWC's Express Card, as more fully described and illustrated in Paragraphs 41-48 and Attachments 1, 2, and 3 of USWC's Answer in this matter, and which had as its purpose the migration of USWC's Express Card customers to AT&T's 1-800 Calling Card. USWC is unable to quantify the economic

value of this benefit at this time.

USWC and USWLD object to providing the dollar amounts paid or owed by Frontier or USWC for the following reasons:

(1) The dollar amounts paid or owed are not relevant to any issue in this matter.

(2) Some of the amounts have not been finalized by accounting personnel and, when finalized, they will represent trade secrets and confidential business information of USWC and Frontier.

(3) Some of the amounts may provide AT&T and other calling card issuers with information from which they could determine USWC's, USWLD's, and Frontier's usage information which is regarded as carrier information under 47 U.S.C. § 222(b) and which is confidential, proprietary, and competitively sensitive.

Response submitted by:

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AT&T Interrogatory No. 20

Identify all compensation or other benefits or advantages (whether pecuniary or non-pecuniary) U S WEST has received from U S WEST Long Distance relating to 1-800-4USWEST and all compensation or other benefits or advantages (whether

pecuniary or non-pecuniary) that U S WEST has paid to U S WEST Long Distance relating to 1-800-4USWEST, and state the circumstances under which such compensation was received or paid (including without limitation the date or dates on which such compensation, benefit, or advantage was offered and received; the nature and amount of such compensation, benefit or advantage; the goods or services for which such compensation, benefit or advantage was paid; or any other reason that cause (either directly or indirectly) the compensation, benefit or advantage to be paid).

USWC's Response to Interrogatory No. 20

USWC objects to this interrogatory, because it requires USWC to provide information that is beyond the scope of the issues, as defined by AT&T in its Complaint in this matter, and that is confidential and proprietary business information. Without waiving the foregoing objections, USWC responds as follows:

At the request of USWC, U S WEST Long Distance, Inc. ("USWLD") agreed to issue the Request for Proposal dated July 18, 1996, to analyze and discuss the responses with each of the qualifying carriers and platform vendors; to select the carriers and vendors to provide the platform, transport, and operator and directory assistance services functionalities associated with the 1-800 enhancement for the 1-800 Express Calling Card; to coordinate the billing and collections functions; to supervise the card design, production, and distribution; and to perform ongoing management functions in connection with the 1-800 dialing pattern functionality on the card. USWLD agreed to submit periodic statements to USWC for payment in accordance with the affiliate transactions rules. See Response to Interrogatory No.

1.

USWLD has paid USWC for billing and collection services pursuant to the Billing and Collection Services Agreement and at the rates described in USWC's

Response to Interrogatory No. 1 above for billing out-of-region intraLATA and interLATA calls handled and branded as USWLD calls when customers use the 1-800 dialing pattern option to make an out-of-region intraLATA or interLATA call.

USWC and USWLD object to providing the dollar amounts paid or owed by USWC or USWLD for the following reasons:

(1) The dollar amounts paid or owed are not relevant to any issue in this matter.

(2) Some of the amounts have not been finalized by accounting personnel and, when finalized, they will represent trade secrets and confidential business information of USWC and USWLD.

(3) Some of the amounts may provide AT&T and other calling card issuers with information from which they could determine USWC's and USWLD's usage information which is regarded as carrier information under 47 U.S.C. § 222(b) and which is confidential, proprietary, and competitively sensitive.

Response submitted by:

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